

ACCA Diploma in Financial and
Management Accounting
(RQF Level 3)

MA2

Managing Costs and Finances

EXAM KIT

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Acknowledgements

These materials are reviewed by the ACCA examining team. The objective of the review is to ensure that the material properly covers the syllabus and study guide outcomes, used by the examining team in setting the exams, in the appropriate breadth and depth. The review does not ensure that every eventuality, combination or application of examinable topics is addressed by the ACCA Approved Content. Nor does the review comprise a detailed technical check of the content as the Approved Content Provider has its own quality assurance processes in place in this respect.

INTRODUCTION

Packed with past exam questions, this book will help you to successfully prepare for your exam.

- Practice questions are grouped by syllabus topics
- All questions are of exam standard and format – this enables you to master the exam techniques.

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THE EXAMINATION

Format of the examination

	<i>Number of marks</i>
50 objective test questions	100

Computer Based Exam (CBE)

The syllabus is examined via an on-demand CBE. The exam will contain 50 questions. Each question is worth two marks each and can take one of four formats:

- multiple choice questions (this is where a candidate must choose one of four options, A through to D)
- multiple response questions (this is where the candidate must select more than one response from the options provided by clicking the appropriate tick boxes).
- multiple response matching questions (this is where the candidate must match together related items. For example, statements on activity based costing might have to be categorised as either TRUE or FALSE)
- number entry questions (this is where the candidate will be provided with an on-screen box into which he/she must enter the correct number)

Questions assess all parts of the syllabus and will include both computational and non-computational elements.

- Pass mark: 50%
 - Total time allowed: 2 hours
-

Tips for sitting CBEs

The ACCA have provided the following advice for sitting a CBE:

- In a CBE you are presented with one question at a time.
- Remember to take time to read the question carefully to ensure you don't miss any important information.
- Once you have entered your answer for a question, it is important to click on the 'Submit' button for your answer to be saved. You can revisit questions and change answers at any time until the exam duration has been reached – however, remember to click on 'Submit' to save your new answer once you have changed it.
- Do not spend a lot of time on questions you are unsure of; instead, move on and come back to these questions at the end of the exam.
- To make CBEs as user-friendly as possible we have incorporated features that will guide you through the exam. Part of the screen has been reserved for tools that will help you navigate between questions. In addition, questions that you have not attempted will be highlighted by an asterisk in the drop-down list of questions and you can quickly move to these questions by clicking on the relevant question number in the list. The exams also include a timer to show you how much time is remaining.

Preparing for the exam

- You can take a CBE **at any time during the year** – the exams are conducted at centres which are licensed by ACCA and there is lots of flexibility as to when the exam can be attempted.
- Be sure you **understand how to use the software** before you start the exam. If in doubt, ask the assessment centre staff to explain it to you. **Questions are displayed on the screen and answers are entered using keyboard and mouse.**
- Don't panic if you realise you've answered a question incorrectly – **you can always go back and change your answer.**
- Read the questions carefully and work through any calculations required. If you don't know the answer, eliminate those options you know are incorrect and see if the answer becomes more obvious. Remember that only one answer to a multiple-choice question can be right!
- At the end of the examination, **you are given a certificate showing the result** you have achieved.

ACCA SUPPORT

For additional support with your studies please also refer to the ACCA Global website.

Section 1

MANAGEMENT INFORMATION

MANAGEMENT INFORMATION

- 1 Place a tick in the column to indicate which THREE of the following statements are correct.

	Correct?
Cost accounting can be used for inventory valuation to meet the requirements of internal reporting only	
Management accounting provides appropriate information for decision making, planning, control and performance evaluation	
Routine information can be used for both short-term and long-run decisions	
Financial accounting information can be used for internal reporting purposes	
Management accounting information must be presented in a prescribed industry format	

- 2 Which of the following is the correct definition of exception reporting?

- A A report that is only produced when something out-of-the-ordinary has happened
- B A report that highlights which divisions have had the best performance in the period
- C A report that explains which controls managers are unhappy with
- D A report that summarises the full year's performance for the business

- 3 A company operates a fleet of delivery vehicles. It is aiming to determine cost units for operational purposes.

Which of the following cost units would be useful to the company?

	Yes	No
Driver hour		
Tonne per kilometre		

- 4 Which of the following would be included in the financial accounts, but may be excluded from the cost accounts?

- A Direct material costs
- B Depreciation of storeroom handling equipment
- C Bank interest and charges
- D Factory manager's salary

5 What is an investment centre best described as?

- A a centre within an enterprise with responsibilities for revenues, costs and capital investment, and whose performance is measured by its return on capital employed
- B a centre within an enterprise with responsibilities for revenues and costs, and whose performance is measured by its profitability
- C a centre within an enterprise where costs are collected before being analysed further
- D a centre within an enterprise whose performance is the responsibility of a specific manager

The following information relates to Questions 6 to 9.

The following is a summary of entries in the work-in-progress (WIP) account in the cost ledger of XYZ.

Opening balance	\$3,000 DR
Direct material used	\$12,500
Direct labour charged to WIP	\$21,500
Production overhead absorbed	\$17,400
Transfers to finished goods	\$49,000

6 What is the balance of work-in-progress carried forward to the next period?

- A \$6,100
- B \$5,750
- C \$600
- D \$5,400

7 Place a tick in the correct columns to indicate the correct double entry for the materials charged to WIP:

	WIP control	Finished goods control	Stores ledger control	Production overhead control
Debit				
Credit				

8 Place a tick in the correct columns to indicate the correct double entry for the production overhead recovered in the period:

	WIP control	Finished goods control	Stores ledger control	Production overhead control
Debit				
Credit				